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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION
E-4 ID #1955
RESOLUTION G-3349
May 22, 2003

R E S O L U T I O N

Resolution G-3349. On the Commission's own motion, this resolution rescinds Resolution G-3273 that granted Southern California Gas Company request to offer a Newspaper Subscription Service.

SUMMARY

Pursuant to Public Utilities Commission (PU) Code Section 1708, this resolution rescinds Resolution G-3273 that authorized Southern California Gas Company request to offer a Newspaper Subscription Service. PU Code Section 1708 states in part, "The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it."

On September 19, 2002, the Commission unanimously voted down Resolution E-3697, which would have approved Southern California Edison's (Edison) Advice Letter 1436-E. Edison's Advice Letter 1436-E requested authorization to continue its Newspaper Solicitation Service. The Commission denied Resolution E-3697 because of the following:

- There are concerns regarding customer privacy.
- There is a lack of resources for enforcement of safeguards to protect customers' information (telephone number and address).
- The Commission lacks jurisdiction over newspapers.
- There appears to be a conflict of interest, since newspapers are often the editorial critics of the utilities.
- The core mission of utilities is to provide safe and reliable service and not to sell newspapers.

At that Commission meeting, the Commission stated its intent to order any utility offering newspaper solicitation service to stop offering that service.

BACKGROUND

On June 7, 1999, SoCalGas filed Advice Letter 2812 pursuant to Affiliate Transaction Rules VII.¹ The advice letter requested authorization to sell newspaper subscriptions to its customers whenever they call the utility to request a gas service turn-on or transfer.

On March 2, 2000, Resolution G-3273 granted Advice Letter 2812 with conditions.

At a Commission meeting on September 5, 2002, the Commission discussed the following concerns regarding newspaper solicitation service:

- There are concerns regarding customer privacy.
- There is a lack of resources for enforcement of safeguards to protect customers' information (telephone number and address).
- The Commission lacks jurisdiction over newspapers.
- There appears to be a conflict of interest, since newspapers are often the editorial critics of the utilities.
- The core mission of utilities is to provide safe and reliable service and not to sell newspapers.

NOTICE

Notice of AL 2812 was made by publication in the Commission's Daily Calendar. SoCalGas states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

¹ Rule VII addresses the procedures for utilities to follow in order to offer new, nontariffed products and services.

PROTESTS

The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA) filed separate protests to Advice Letter 2812 on June 25 and June 28, 1999, respectively. Resolution G-3273 addressed the protests.

DISCUSSION

On September 5, 2002, the Commission had the opportunity to revisit the issue of newspaper solicitation service since the approval of SoCalGas' Resolution G-3273 on March 2, 2000. At the Commission meeting, the Commission discussed the following concerns with newspaper solicitation service:

- A customer's call to establish, change, or discuss service, should not be subjected to a sales "pitch" for newspaper solicitations.
- Telephone solicitation business is unrelated to the core mission of the utilities, which is to provide customers with safe and reliable electric and/or gas service.
- There are concerns with the privacy implications of the utility being able to provide its customers' information to others for profit.
- The Commission does not have the resources to enforce safeguards to protect utilities' customers' privacy.
- The Commission has no jurisdiction over newspapers and does not have the resources to ensure that the customer's information (regarding phone number and address) are not sold to other telemarketers or any other third party.
- Newspapers are often the editorial critics of the utilities; thus, there may be a conflict of interest.
- The Commission should not be encouraging utilities to be spending time and effort on matters other than their core mission of providing electric and/or gas service.

On September 19, 2002, the Commission unanimously voted down draft Resolution E-3697 that proposed to approve with modifications Edison's request to continue a Newspaper Solicitation Service.

This resolution rescinds SoCalGas' Resolution G-3273 addressing Advice Letter 2812 and orders SoCalGas to terminate its Newspaper Subscription Service within 30 days of the effective date of the resolution.

COMMENTS

Public Utilities Code section 311(g)(1) provides that a resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments. Comments were filed by _____ on _____.

FINDINGS

1. On September 19, 2002, the Commission unanimously voted down draft Resolution E-3697 that would have authorized Edison to continue a newspaper solicitation service.
2. The Commission voted down draft Resolution E-3697 for the following reasons:
 - There are concerns regarding customer privacy.
 - There is a lack of resources for enforcement of safeguards to protect customers' information (telephone number and address).
 - The Commission lacks jurisdiction over newspapers.
 - There appears to be a conflict of interest, since newspapers are often the editorial critics of the utilities.
 - The core mission of utilities is to provide safe and reliable service and not to sell newspapers.

3. Public Utilities Code Section 1708 states in part, "The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it."
4. SoCalGas' Resolution G-3273 that authorized its telephone solicitation service for newspapers as requested in Advice Letter 2812 is rescinded.
5. SoCalGas shall terminate its Newspaper Subscription Service within 30 days of this resolution.
6. SoCalGas shall inform the ED's Director by letter, within 30 days, that it has terminated its Newspaper Subscription Service.

THEREFORE IT IS ORDERED THAT:

1. SoCalGas' Resolution G-3273 that authorized its telephone solicitation service for newspapers as requested in Advice Letter 2812 is rescinded.
2. SoCalGas shall terminate its Newspaper Subscription Service within 30 days of this resolution.
3. SoCalGas shall inform the ED's Director by letter, within 30 days, that it has terminated its Newspaper Subscription Service.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on May 22, 2003 the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director